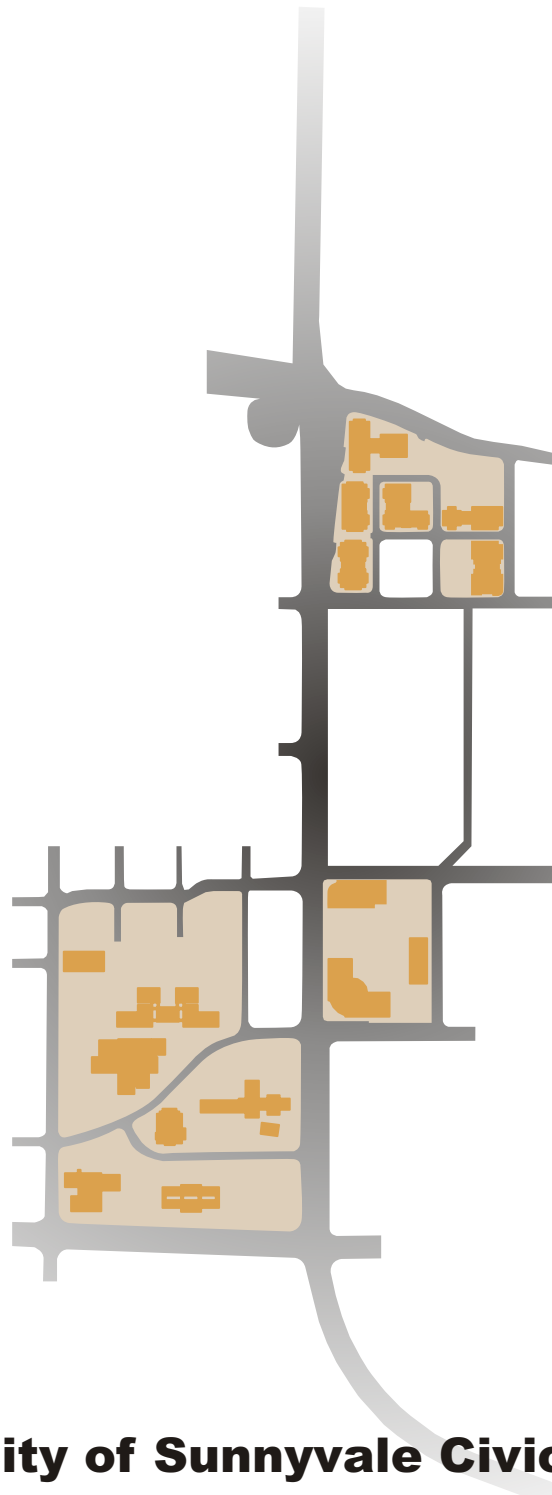
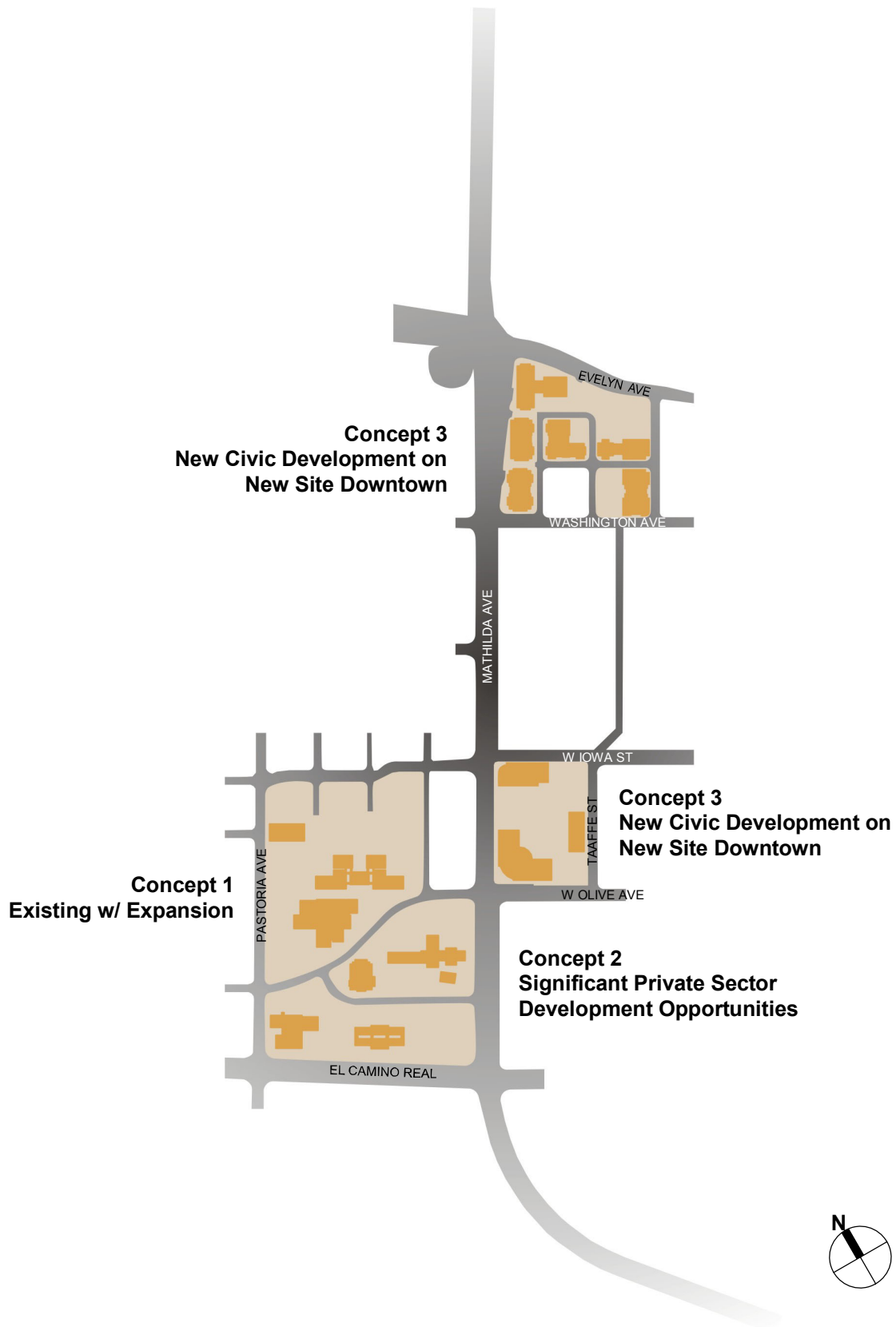


City of Sunnyvale  
Sunnyvale, CA



## **City of Sunnyvale Civic Center Redevelopment Feasibility Study**

*February 4, 2003*



Concept Location Map

## Preface

On February 7, 2002, Heller Manus Architects (HMA) in association with Keyser Marston Associates (KMA) and Fehr & Peers Associates submitted a Civic Center Redevelopment Feasibility Study to the City of Sunnyvale. The purpose of this study is to provide the City with a comprehensive analysis of the basic concept alternatives to assist in the decision making process regarding the future planning of the Civic Center site. The report included market analysis for private use (office/residential) of the site; financial parameters of land value per square foot for various market-based prototypes; preliminary master planning with public and private uses that determined the highest and best uses of the property; a financial feasibility analysis of the modified program to project income to the City with percentages of costs supportable by private uses; and a preliminary review of traffic capacity.



Concept 1



Concept 2



Concept 3

The study identified three basic concept alternatives that were believed to be a reasonable representation of the possible actions by the City:

- Concept 1 – *Existing with Expansion/Least Change*: Retain existing public buildings, with expansion to accommodate the future space needs
- Concept 2 – *Significant Private Sector Development*: Provide significant private sector development opportunities to optimize income to the City thereby reducing the public costs for the new civic components.
- Concept 3 – *New Civic Center Development on New Downtown Site*: Relocate all of the existing civic uses on the site to a new location Downtown.

Through an iterative process of evaluating the physical, market and financial feasibility of the various concept alternatives, our analysis determined that the initial public investment for Concept 3, an off-site, all-new modern facilities option, would be significantly higher than Concepts 1 and 2. However, the land value yielded by the private sector development under this Concept reduced the cost in the range of Concept 1 where all the existing facilities were retained and expanded to accommodate future growth. Concept 3 under these conditions was also found to be significantly less than Concept 2 with all new civic center facilities on the existing site.



## Introduction

Upon completing the initial phase of the Civic Center Redevelopment Feasibility Study, the services of Heller Manus Architects were extended to update the results with 2020 growth projections established by the City of Sunnyvale Department of Park and Recreation, Facilities Division. The analysis for Concept 3 was also expanded to include two new downtown sites with several alternatives under each site. Observations by City Council members during workshop sessions were also taken into account in an effort to refine and improve on the ideas and assumptions made in the initial phase of this study. Civic presence, natural preservation and land value were some of the issues raised by City Council members.

Modeled after the methodologies employed in the initial study, a similar approach was taken in identifying a series of land use alternatives for each of the two downtown sites. These sites were evaluated not only for their programmatic accommodations and financial feasibility, but also for their aesthetic opportunities (scale, open space, approach, etc.) as they related to The City of Sunnyvale Downtown Urban Design Plan.

This expanded study is organized under the same basic concept alternatives identified in the initial study and broken down into their respective options.

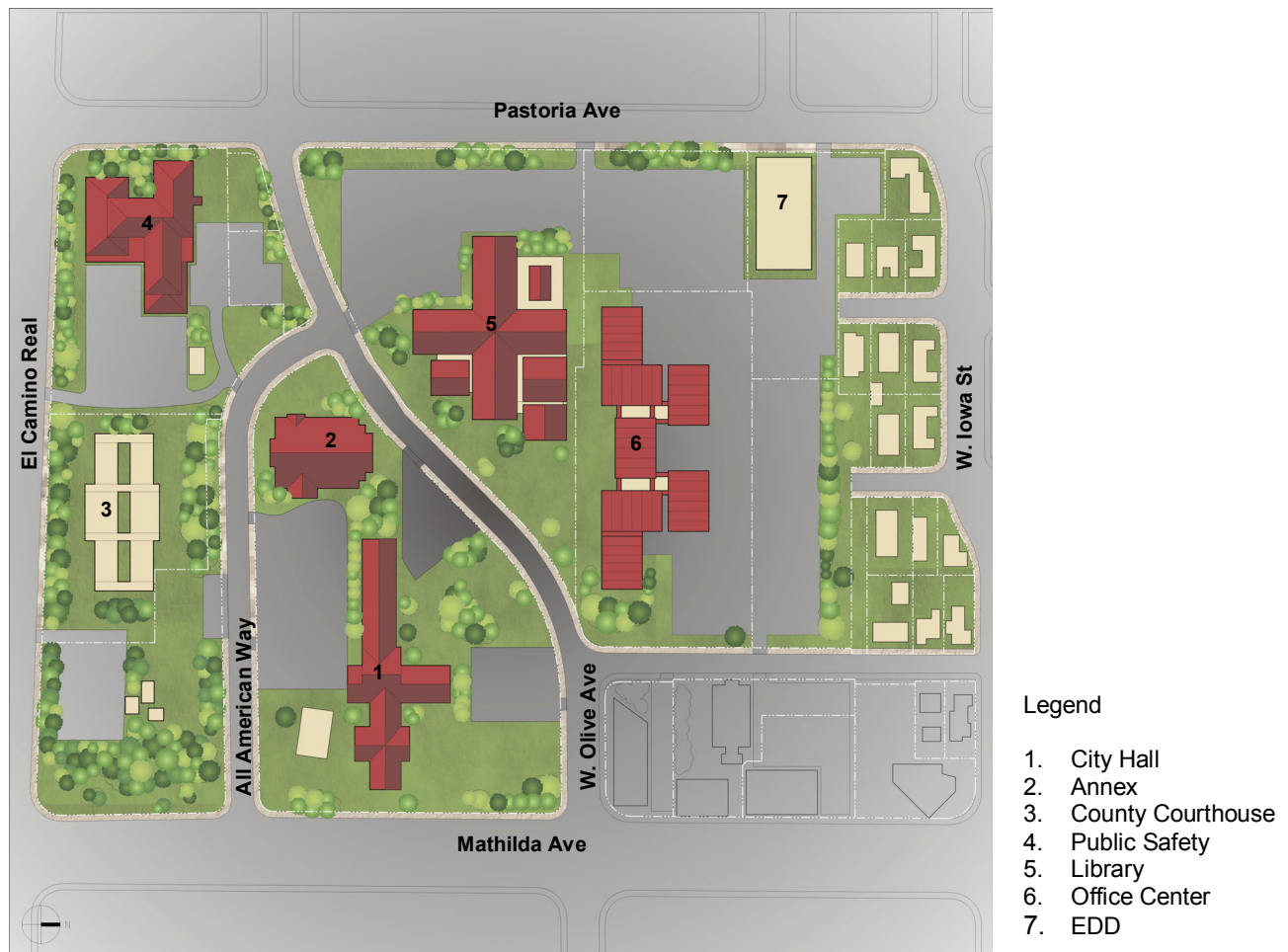
- Concept 1A - *Existing with Expansion/Least Change*: Retain existing public buildings, with expansion to accommodate 2020 space needs. City Hall expansion along Mathilda Ave.
- Concept 2A - *Significant Private Sector Development*: Provide significant private sector development opportunities to optimize income to the City in order to reduce public costs of the 2020 civic components. Replace residential development
- Concept 3A - *New Civic Center Development on New Site Downtown*: Purchase Mozart #2 and build new facility on Town & Country Village site to accommodate the balance of the required area.
- Concept 3B - *New Civic Center Development on New Site Downtown*: Build new facility on Town & Country Village site.
- Concept 3C - *New Civic Center Development on New Site Downtown*: Acquire four parcels and build new facility on "Bank" site (S. Mathilda Ave. & W. Olive Ave.).

## Land Value

With acquisition costs and estimated returns from private sector development being one of the key components in this study, much has been discussed regarding the land value of the various sites. The figures used in this report were, for the most part, acquired from professional Real Estate Appraisers and private developers. Where information was not readily available, as in the case for the Civic Center site, Keyser Marston Associates (KMA) assisted in establishing values for the various properties based on an economic climate that is "not too hot, nor too cold."

## Analysis

### Concept 1 – Existing w/ Expansion Least Change



#### Existing Civic Center

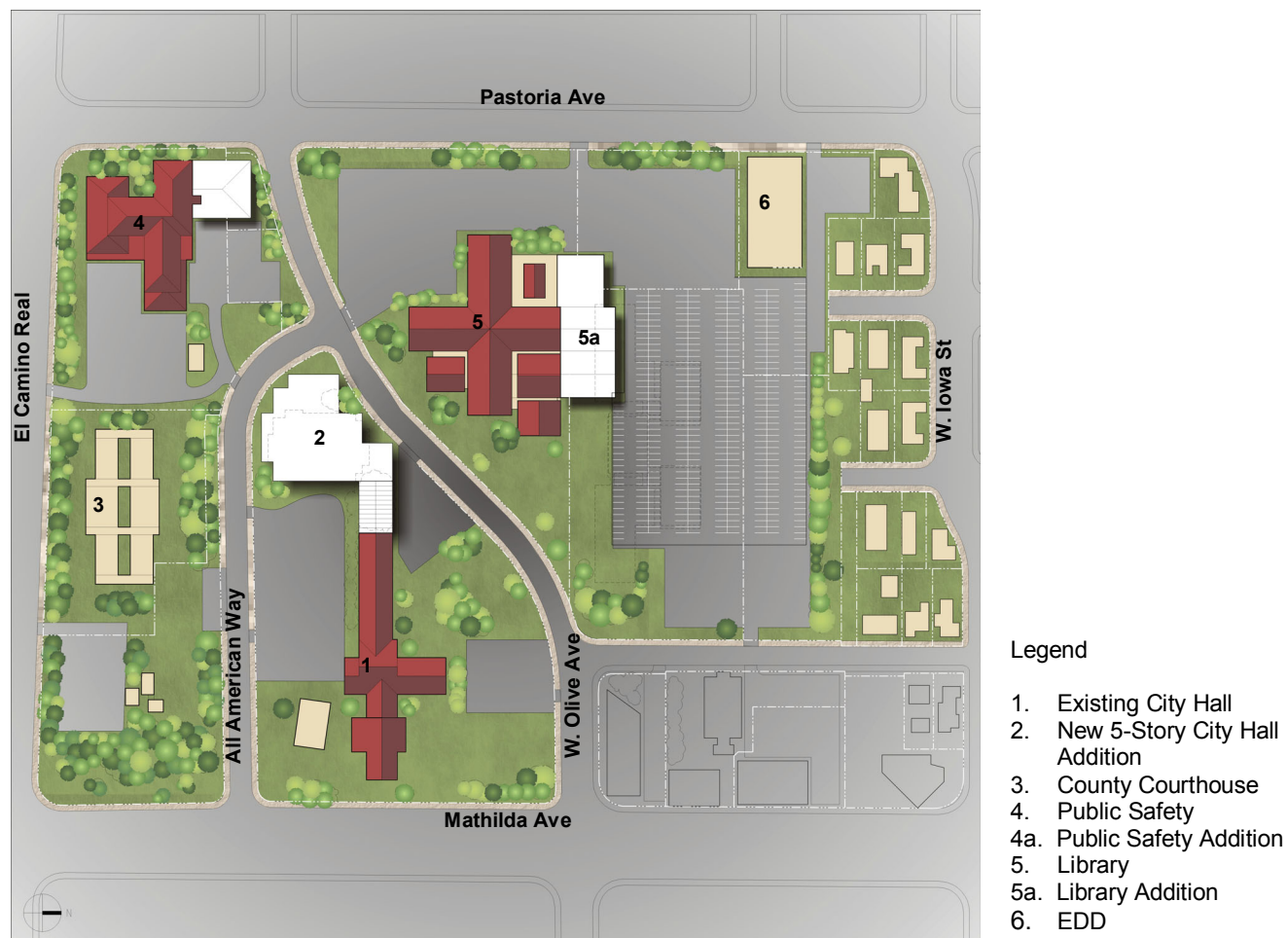
Built between 1957 and 1969, the current Civic Center site consists of four primary buildings - City Hall, Library, Public Safety and Courthouse. The buildings are characterized as single-story, red clay tile roofs, and appear to be in fair condition; however, much of the facility is antiquated and inefficient. A thorough assessment for each building would be required for an accurate representation of its current conditions.

The City is currently leasing the County Courthouse and EDD sites which poses a slight challenge should the City seek a developer to make use of the site.

Concept 1A minimizes changes to the existing structure by modernizing the existing facilities with incremental expansion over time to accommodate growth.



## Concept 1A – Existing w/ Expansion/Least Change



• Demolish portion of existing City Hall and Annex	21,000 SF
• Demolish Office Center	21,000 SF
• Expand City Hall	149,700 SF
• Expand Library	40,000 SF
• Expand Public Safety	9,000 SF
• Provide 377 parking spaces in structured facility	

Estimated Cost of Civic Components	<b>\$90 M</b>
Less: Est. Land Value of Private Sector Components	<b>\$0</b>
Net Cost to City	<b>\$90 M</b>

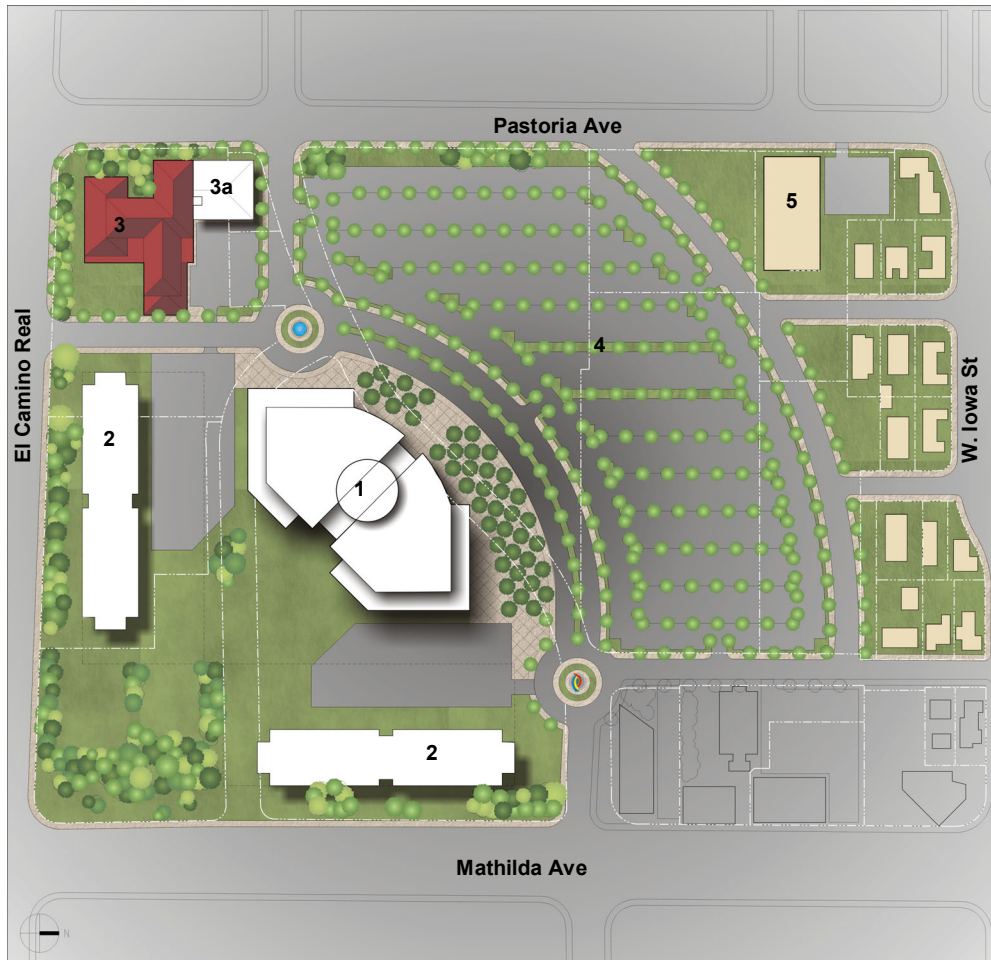


**Concept 1A – Existing w/ Expansion/Least Change**

### Concept 2 – Significant Private Sector Development

By demolishing all the civic components (excluding Public Safety) on the current site and acquiring the County Courthouse parcel, we dedicate the majority of the site to private sector development. With underground parking being a large component of the construction cost in the initial study, this alternative explored the reduction of area for private development and replacing it with surface parking.

#### Concept 2A – Commercial Development Opportunity



#### Legend

1. New Civic Center Facility
2. New Private Development Opportunities
3. Public Safety
- 3a. Public Safety Addition
4. New surface parking
5. EDD

• Demolish all existing Civic Center components	142,300 SF
• Acquire County Courthouse	100,188 SF
• New Civic Center Facilities	324,000 SF
• Expand Public Safety	9,000 SF
• Provide 1,282 parking spaces on surfaced lot	
Estimated Cost of Civic Components	<b>\$154 M</b>
Less: Est. Land Value of Private Sector Components	<b>(\$23 M)</b>
Net Cost to City	<b>\$131 M</b>





**Concept 2A – Commercial Development Opportunity**

### Concept 3 – New Civic Development on New Site Downtown

#### Mozart Development/Town & Country Downtown Site



#### Proposed Residential/Office Complex

With the construction of new office buildings, a Caltrain Multi-Modal station and a City Plaza, the central downtown area is currently undergoing a major transformation. Well-established commercial areas such as the Murphy Avenue Historic Landmark District to the east and the Town & Country Shopping Center to the south, ensures stability and marketability of land value for this site. Relocating the Civic Center to this area would only substantiate the City's vision to create "an enhanced, traditional downtown serving the community with a variety of destinations in a pedestrian friendly environment."

The Mozart Development consists of three buildings with 450,000 SF of Class A office space and 10,000 SF of retail on the ground level. Given the recent decline in the technology industry, demand for new office space is currently considered to be weak. As a result, new office rates such as the Mozart Buildings are becoming more affordable than previously projected.

The following alternates evaluate the purchase of a single Mozart Building in addition to constructing a new Civic Center on an adjacent lot.

## Concept 3A – Mozart Building #2 and Town &amp; Country Village



## Legend

1. Proposed residential/mixed-use buildings.
2. Mozart Building #1
3. Mozart Building #2: City Hall Annex
- 3a. New 2-Story City Hall
4. Mozart Building #3
5. City Plaza
6. Caltrain Station

• Purchase Mozart Building #2	134,540 SF
• Acquire several Town & Country Village parcels	36,155 SF
• New 2-Story City Hall Building	45,460 SF
• Expand Public Safety	9,000 SF
• Expand Library	40,000 SF
• Provide 175 space 2-level underground parking	
Estimated Cost of Civic Components	<b>\$111 M</b>
Less: Est. Land Value of Private Sector Components	
Civic Center Site	<b>(\$35 M)</b>
Net Cost to City	<b>\$76 M</b>





**Concept 3A – Mozart Building #2 and Town & Country Village**



**Concept 3B – Town & Country Village****Legend**

1. Proposed residential/mixed-use buildings
2. Mozart Building #1
3. Mozart Building #2
4. Mozart Building #3
5. City Plaza
6. New 3-Story City Hall
7. New 3-Story City Hall
8. Caltrain Station

- Acquire several Town & Country Village parcels
- New 3-Story City Hall
- Expand Public Safety
- Expand Library
- Provide 692 space 4-level underground parking

37,680 SF  
 180,000 SF  
 9,000 SF  
 40,000 SF

Estimated Cost of Civic Components

**\$124 M**

Less: Est. Land Value of Private Sector Components  
 Civic Center Site

**(\$35 M)**

Net Cost to City

**\$89 M**



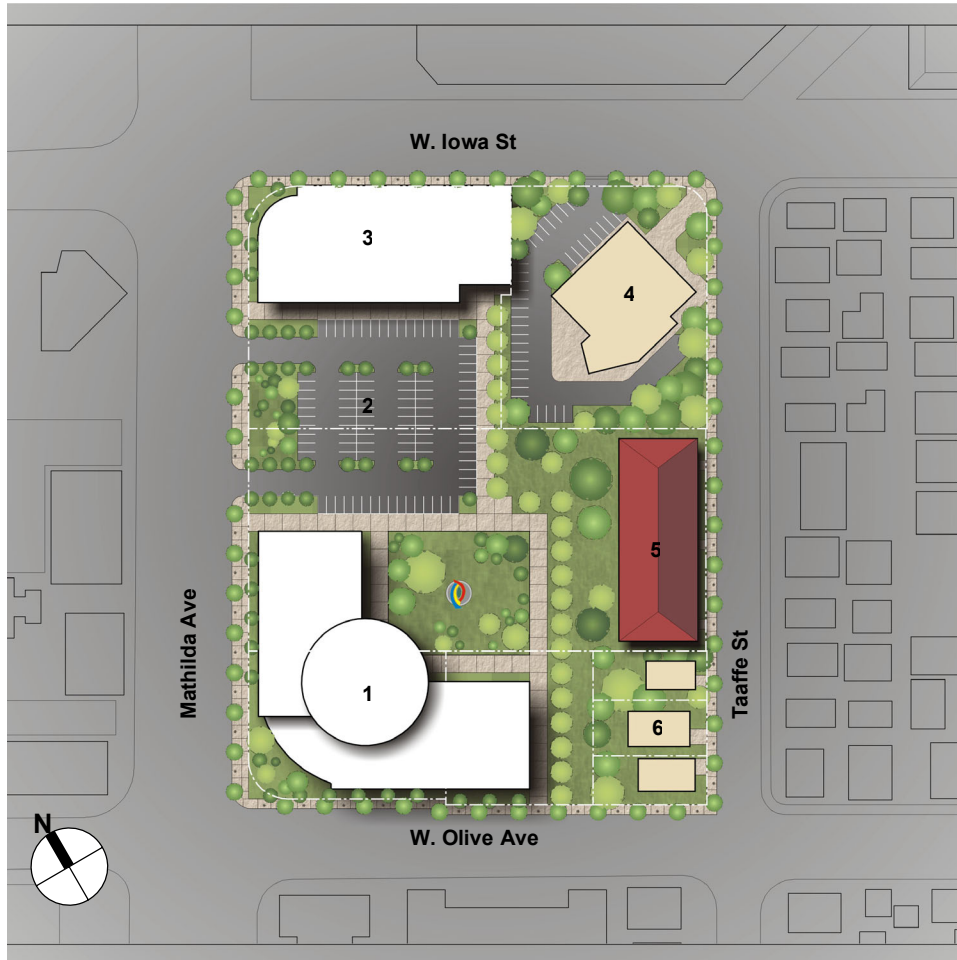
**Concept 3B – Town & Country Village**

**Concept 3 – “Bank” Development Downtown Site****Existing "Bank" Site**

Bounded by Mathilda Avenue, West Iowa Street, Taaffe Street and West Olive Avenue, this site is currently occupied by several banks, an office, health club and several residences. The Downtown Urban Design Plan proposes a mixed-use development for this site with offices fronting Mathilda Avenue and medium-density residences along Taaffe Street. Placing the new Civic Center on this site poses a number of urban design challenges as well as offering several advantages making it an appealing option for relocation.

Located in close proximity to the original Civic Center Site, this enables various components of the new City Hall to be acquired and erected in phases as funding becomes available while components of the original Civic Center remains operational during this process.

With a shopping mall and 1 to 2-story residences adjacent to this site, scale will be an issue to address and will require some reconfiguration in order to balance the massing around the site. Strategic placement of open space versus structure would help offset the changes in the different scales offered in this area.

**Concept 3C – S Mathilda Ave & W Olive Ave – Four Parcel Acquisition****Legend**

1. New City Hall
2. New Public Surface Parking
3. New Library
4. Existing Health Club
5. New Private Development Opportunities
6. Existing single-family residences

- Acquire 4 Parcels
- New City Hall & Library Facility
- Expand Public Safety
- Provide 72 surface parking spaces and 1,005 underground parking

223,120 SF  
 220,000 SF  
 9,000 SF

**\$172 M**

Estimated Cost of Civic Components

Less: Est. Land Value of Private Sector Components

Civic Center Site

"Bank" Site

Net Cost to City

**(\$64 M)****(\$1 M)****\$107 M**





**Concept 3C – S Mathilda Ave & W Olive Ave – Four Parcel Acquisition**

**Summary of Analytical Finding**

The results of our current finding remain consistent with the initial analysis. An average of \$20 million is added to each concept from the original estimate as a result of 2020 growth projections. The option of retaining the Library in its current location generated a \$2 - 5 million reduction in cost, as upgrades to the existing facility and expansion would still be required.

Concept 3 – New Civic Development on New Site Downtown, with the various choices identified in this study, would require public investment in the range of \$142 million to \$180 million. If land value created by private sector development is considered, Concept 3 can potentially reduce the city's net costs to \$113 million – figures that are comparable to, if not less than, Concepts 1 and 2.

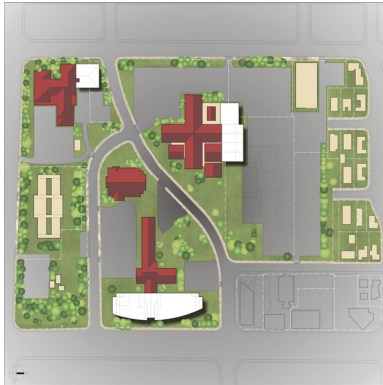
### Preliminary Concept Evaluation

Preliminary Concept Evaluation	Concept 1A Existing w/Expansion	Concept 2A Significant Private Sector Development	Concept 3A Mozart #2 and Town & Country Village
<b>Program Assumptions</b>			
a. Public	<ul style="list-style-type: none"> <li>Keep Public Safety, City Hall, Library and Courthouse.</li> <li>Expand and/or add to existing buildings (except the Courthouse, which will remain as-is) to accommodate future space needs.</li> <li>The Sunnyvale office Center may be included in new City Hall building.</li> <li>EDD building to remain as-is.</li> <li>Provide parking structure at Public Safety to accommodate addition.</li> </ul>	<ul style="list-style-type: none"> <li>Keep Public Safety Building only and expand to accommodate future needs.</li> <li>Acquire County Courthouse site to take advantage of commercially valuable El Camino frontage.</li> <li>EDD building remains as is.</li> <li>Construct new City Hall Complex at NEC of site (on new Civic Drive).</li> <li>Create Civic Park and Plaza at corner of El Camino &amp; S. Mathilda.</li> </ul>	<ul style="list-style-type: none"> <li>EDD, Public Safety and County Courthouse to remain. Remainder of site to be cleared and prepared for future development.</li> <li>Purchase Mozart #2 and relocate a portion of the City Hall functions to this building.</li> <li>Construct New City Hall.</li> <li>Create small Civic Plaza as an extension for the City Plaza currently under construction.</li> <li>Provide underground parking</li> </ul>
b. Private	<ul style="list-style-type: none"> <li>No significant opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>Create new commercial opportunities along El Camino Real and Mathilda Ave.</li> </ul>	<ul style="list-style-type: none"> <li>Existing Civic Center site is available for new development.</li> </ul>
c. Common Components	<ul style="list-style-type: none"> <li>Retain existing street network.</li> <li>Preserve existing trees.</li> </ul>	<ul style="list-style-type: none"> <li>Create new roadway system.</li> <li>Preserve some existing trees.</li> </ul>	<ul style="list-style-type: none"> <li>Develop guidelines to specify preservation of existing Civic Center trees.</li> </ul>
<b>Advantages/ Disadvantages</b>	<ul style="list-style-type: none"> <li>Upgrade of existing buildings.</li> <li>Same site configuration with addition of a single major building to existing City Hall.</li> <li>Work environment of new vs. old; function spaces remain in old City Hall.</li> <li>Limited buildable area will result in a 4 to 5-story structure. Taller than any building on the Civic Campus.</li> </ul>	<ul style="list-style-type: none"> <li>All new buildings (except Public Safety) and thus more efficient in that it would centralize civic functions in a single location.</li> <li>Large open parking lot fronting City Hall. Transforms campus environment north of Olive to expansive parking lot.</li> <li>Surface parking offers long-term opportunity for civic center complex expansion.</li> <li>Cost savings from eliminating underground parking offset by additional requirement for significant landscape coverage for surface parking.</li> </ul>	<ul style="list-style-type: none"> <li>The close proximity to the new CalTrans station and freeway allows easy accessibility and high visibility to the Civic Center.</li> <li>Utilizes a newly constructed building as well as parcels already under the ownership of the city therefore significantly reducing acquisition costs.</li> <li>Allows for some future growth.</li> <li>Identity of Civic Center could be associated with the Mozart Office Buildings.</li> </ul>
<b>Risk to City</b>	Minimal (Commonly Done)	Complex due to co-mingling with Private Sector Development.	No co-mingling with private sector development is required but risk associated with new site acquisition and existing site disposition.
<b>Impact on Downtown</b>	None	Moderate - Civic Center complex would help consolidate office concentration along Mathilda Ave.	Significant – The acquisition of Mozart Building #2 reduces the amount of commercial office space, however it assures an influx of workers and visitors to the central downtown area.

## Preliminary Concept Evaluation

Preliminary Concept Evaluation	Concept 3B Town & Country Village	Concept 3C S Mathilda Ave & W Olive Ave – 4 Parcel Acquisition
<b>Program Assumptions</b> a. Public        b. Private   c. Common Components	<ul style="list-style-type: none"> <li>• EDD, Public Safety and County Courthouse to remain. Remainder of site to be cleared and prepared for future development.</li> <li>• Acquire several parcels in the Town &amp; Country Village.</li> <li>• Construct New City Hall facilities.</li> <li>• Provide underground parking</li> </ul> <ul style="list-style-type: none"> <li>• Existing Civic Center site is available for new development.</li> </ul> <ul style="list-style-type: none"> <li>• Retain existing streets.</li> <li>• Develop guidelines to specify preservation of existing Civic Center trees.</li> </ul>	<ul style="list-style-type: none"> <li>• EDD, Public Safety and County Courthouse to remain. Remainder of site to be cleared and prepared for future development.</li> <li>• Acquire 4 parcels and demolish existing buildings.</li> <li>• Construct new City Hall.</li> <li>• Create small Civic Park/Plaza.</li> <li>• Provide limited surface parking and underground parking.</li> </ul> <ul style="list-style-type: none"> <li>• Existing Civic Center site is available for development.</li> <li>• A portion along Taaffe St. is available for development.</li> </ul> <ul style="list-style-type: none"> <li>• Retain existing streets.</li> <li>• Develop guidelines to specify preservation of existing Civic Center trees.</li> </ul>
<b>Advantages/Disadvantages</b>	<ul style="list-style-type: none"> <li>• Located directly on the City Plaza, the connection between open space and City Hall reinforces the idea of Civic Center.</li> <li>• Acquisition of larger site enables a reduction in the building height and integration with adjacent buildings.</li> <li>• Significant reduction in cost of plaza due to adjacent site amenities in creating a new civic plaza</li> <li>• Allows for some future growth.</li> <li>• A larger subterranean parking footprint. Reduces the total subterranean levels to 5 or 6.</li> </ul>	<ul style="list-style-type: none"> <li>• Creates major presence with Civic Center complex fronting Mathilda Ave.</li> <li>• Complex site assemblage with existing buildings; potentially costly development of major residential site.</li> <li>• Acquisition of 4 parcels-multiple ownerships; retains some adjacent uses with the opportunity for limited residential development.</li> <li>• Independent buildings would enable the City Hall relocation to take place in phased events.</li> <li>• 1.5 level below grade parking; larger footprint creates greater efficiency.</li> </ul>
<b>Risk to City</b>	No co-mingling with private sector development is required but risk associated with new site acquisition and existing site disposition.	Limited co-mingling with private sector development is required but risk associated with new site acquisition and existing site disposition.
<b>Impact on Downtown</b>	Significant – The acquisition of these parcels reduce office and residential space, however it assures an influx of workers and visitors to the central downtown area.	Significant – Civic Center complex would consolidate office concentration along Mathilda Ave.



**Appendix: Alternate Options****Option 1B – Mathilda Ave Expansion**

• Demolish portion of existing City Hall & Annex	21,000 SF
• Demolish Office Center	21,000 SF
• Expand City Hall towards Mathilda Ave	149,700 SF
• Expand Library	40,000 SF
• Expand Public Safety	9,000 SF
• Provide 377 parking spaces in structured lot	

Estimated Cost of Civic Components	<b>\$ 90M</b>
Less: Est. Land Value of Private Sector Components	<b>\$ 0</b>
Net Cost to City After land Value	<b>\$ 90M</b>

**Option 2B – Commercial/Residential Development**

• Acquire Courthouse Parcel	100,200 SF
• Demolish all Civic Center Components excluding Public Safety and EDD	167,300 SF
• New Civic Center Facility	315,000 SF
• Expand Public Safety	9,000 SF
• Provide 1,282 underground parking spaces	
• Provide Private Sector Development Opportunities	

Estimated Cost of Civic Components	<b>\$ 158M</b>
Less: Est. Land Value of Private Sector Components	<b>(\$ 49M)</b>
Net Cost to City After land Value	<b>\$ 109M</b>

**Option 3D – Mozart Bldg #2 and Town & Country Village**

• Purchase Mozart Bldg #2	134,540 SF
• Acquire several Town & Country parcels	36,155 SF
• New City Hall and Library	146,460 SF
• Expand Public Safety	9,000 SF
• Provide 559 underground parking spaces at 6 levels	

Estimated Cost of Civic Components	<b>\$ 142M</b>
Less: Est. Land Value of Private Sector Components	<b>(\$ 64M)</b>
Net Cost to City After land Value	<b>\$ 78M</b>



### Option 3E – Town & Country Village

- Acquire several Town & Country parcels 37,680 SF
- New City Hall and Library 280,000 SF
- Expand Public Safety 9,000 SF
- Provide 1,077 underground parking spaces at 7.5 levels

Estimated Cost of Civic Components **\$ 156M**  
 Less: Est. Land Value of Private Sector Components **(\$ 64M)**  
 Net Cost to City After land Value **\$ 92M**



### Option 3F – Mozart Bldg #3 and Town & Country Village

- Acquire several Town & Country parcels 37,680 SF
- Purchase Mozart Bldg #3 212,795 SF
- New Library 100,000 SF
- Expand Public Safety 9,000 SF
- Provide 385 underground parking spaces at 4 levels

Estimated Cost of Civic Components **\$ 151M**  
 Less: Est. Land Value of Private Sector Components **(\$ 64M)**  
 Net Cost to City After land Value **\$ 87M**  
*Alternative: Library to remain on existing site; Acquire and occupy Mozart Bldg #3 only. \$ 82M*



### Option 3G – Mozart Bldg #2 and #3

- Purchase both Mozart Bldg #2 and #3 347,335 SF
- Purchase Mozart Bldg #3 347,335 SF
- New City Hall and Library 100,000 SF
- Expand Public Safety 9,000 SF
- Provide 385 underground parking spaces at 4 levels

Estimated Cost of Civic Components **\$ 147M**  
 Less: Est. Land Value of Private Sector Components **(\$ 64M)**  
 Net Cost to City After land Value **\$ 83M**



**Option 3H – “Bank” Site 8 Parcel Acquisition**

- Acquire 8 parcels 292,1100 SF
- New City Hall and Library 180,000 SF
- Expand Public Safety 9,000 SF
- Designate residential development area 62,055 SF
- Provide 104 surface and 957 underground parking spaces at 3 levels

Estimated Cost of Civic Components **\$ 180M**  
Less: Est. Land Value of Private Sector Components **(\$ 67M)**  
Net Cost to City After land Value **\$ 113M**

